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ED/EC OM-17/1

October 3, 1955

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

To: Working Group I
From: Chairman, EDAC Executive Committee
Subject: Review of Criteria

1. The Report of Review of Economic Defense Policy submitted to the CFEP on July 8 stated that "Intensified study should proceed on possible revision of criteria for placing commodities on the export control lists, including in such studies a detailed consideration of means for imposing the greatest economic cost on the Soviet bloc". (Summary, p. ii.)

2. It is noted that the Report also contained the following statement: "For the present the scope and severity of the control program should remain approximately as now constituted". (Summary, p. ii.)

3. The Report proper stated that "Several techniques now under study offer some promise of advancing the effectiveness of the program, of rendering it more flexible and of avoiding some of the controversies experienced with our allies over the appropriate interpretation of the agreed criteria, or listing guides". The Report cited the "relative cost" approach (Staff Study No. 1), "key category" approach, and "mobilization base" approach, and stated that "All these techniques, and others, should be seriously studied; explored with our allies, whenever feasible; and incorporated within the control system whenever found suitable for either unilateral or multilateral acceptance, whether as a substitute for, or a supplement to, the existing techniques". (Report, p. 14.)

4. As part of an EDAC work program based on the report submitted to the CFEP, Working Group I is instructed to initiate immediately a study of the criteria and argumentation the U.S. might use:

- a. to support the current COCOM level;
- b. to try to achieve a favorable resolution of the particular commodity problems now outstanding in COCOM, mainly rolling mills, copper wire, and ships;

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-2-

- c. as a basis for a generally uniform level for the European Soviet bloc and the Communist Far East, against the event that a generally uniform level would at some time be agreed to by the U.S.

5. With respect to all parts of 4, above, the Working Group should take into account the existing criteria, the new analysis presented in Staff Study 1, the statements made on the basis of that analysis in the July 1955 Report to the CFEF, and any other approaches or criteria that may be considered relevant.

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WG-I

WG-VII

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